

This letter addresses the rate of tax imposed in a municipality that has a Home Rule Municipal Retailers' Occupation Tax. See 86 Ill. Adm. Code 270.101. (This is a GIL.)

May 30, 2008

Dear Xxxxx:

This letter is in response to your letter received by our office on May 19, 2008, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Send me information

Illinois sale tax rate food drugs/medical rate in Chicago C Cook County

PS Please answer letter

DEPARTMENT'S RESPONSE:

The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property to purchasers for use or consumption. (35 ILCS 120/2) In Illinois, Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. (35 ILCS 105/3) These taxes comprise what is commonly known as "sales" tax in Illinois.

In addition to State-imposed "sales" taxes, the Illinois Department of Revenue administers some locally imposed "sales" taxes. In Cook County, Illinois on May 28, 2008, the "sales" taxes administered by the Illinois Department of Revenue were as follows:

Sales Taxes:

1. General Merchandise.....9.25%

- comprised of the following taxes:
 - State Retailers' Occupation Tax..... 6.25%
 - Regional Transportation Authority Retailers' Occupation Tax.....1.0%
 - Cook County Home Rule Retailers' Occupation Tax0.75%*
 - City of Chicago Home Rule Municipal Retailers' Occupation Tax.....1.25%
- 2. Qualifying Food and Drugs.....2.25%
 - comprised of the following taxes:
 - State Retailers' Occupation Tax.....1.0%
 - Regional Transportation Authority Retailers' Occupation Tax.....1.25%

*Effective July 1, 2008, the Cook County Home Rule Retailers' Occupation Tax will increase to 1.75%.

Additional information regarding the tax liabilities for food, drugs, medicines and medical appliances may be found at 86 Ill. Adm. Code 130.310. In addition, the Department has issued numerous letters rulings regarding the tax liabilities of various food, drug and medicinal products. You may locate the Department's regulations and letter rulings on the Department's Internet website under the heading of "Laws/Regs/Rulings."

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Debra M. Boggess
Associate Counsel

DMB:msk